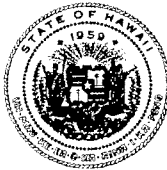


LINDA LINGLE
GOVERNOR



STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

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October 14, 2010

TO: HSTA VEBA Members
FROM: Sandi Yahiro, Assistant Administrator *Sandi Yahiro*
SUBJECT: Transition to EUTF Health Benefit Plans

Aloha!

As you are aware, under Act 106, SLH2010, the law enabling an alternative health-benefits system for current and retired members of Bargaining Unit 5 through the Voluntary Employees' Beneficiary Association Trust (VEBA), will sunset and terminate as of January 1, 2011. As such, as of January 1, 2011, all VEBA members must be transitioned to the Employer-Union Health Benefits Trust Fund (EUTF) health and other benefit plans.

Initially, all VEBA members will be enrolled in EUTF plans as described below, effective January 1, 2011. However, VEBA members may elect to change their EUTF plans effective February 1, 2011. In order to make this choice, VEBA members **MUST** complete and submit a EUTF enrollment form (EC-1 Enrollment Form) during the limited open enrollment that will take place between **November 3, 2010 and November 24, 2010**.

This memo is intended to provide you with information to assist you in your transition to the EUTF plans.

What EUTF Plan(s) will I be in on January 1, 2011?

The EUTF will convert you from your VEBA plans to the EUTF plans on a carrier-to-carrier basis. Below is the conversion information:

Current VEBA Plan You Are Enrolled In

**EUTF Plan You Will Be Enrolled in
Effective January 1, 2011**

HMA (80/20) Medical, Catalyst Drug*, VSP
Vision, ChiroPlan Hawaii

EUTF PPO (90/10) HMA Medical,
informedRx Drug, VSP Vision, and RSN
ChiroPlan

HMSA (90/10) PPO Medical and Drug*, VSP
Vision, ChiroPlan Hawaii

EUTF PPO (80/20) HMSA Medical,
informedRx Drug, VSP Vision, and RSN
ChiroPlan

Kaiser Medical and Drug, VSP Vision,
ChiroPlan Hawaii

Kaiser Comprehensive Medical and Drug, VSP
Vision, and RSN ChiroPlan

HMSA Supplemental Medical and Drug*,
HMSA Vision and ChiroPlan Hawaii

EUTF Supplemental HMSA, informedRx
Drug, VSP Vision, and RSN ChiroPlan

VSP Vision Only

VSP Vision

Primary HDS Dental

HDS Dental

Supplemental HDS Dental

None

Pacific Guardian Life Insurance

Standard Life Insurance

****My VEBA drug plan is bundled with my medical plan, but I want to make changes to my enrollment. If I forget to check the box on the EC-1 to enroll in EUTF's drug plan, will I still be covered in EUTF's drug plan?***

No. You MUST check either the "Self", "2-Party", or "Family" box next to "Prescription Drug - informedRx Prescription Drug" to have drug coverage under EUTF. If you leave all boxes blank, EUTF will assume you do not want (waive) drug coverage.

What will happen to my dependents that I currently cover under the VEBA Plans?

Any dependents you cover under the VEBA plan will be enrolled in the EUTF plans effective January 1, 2011.

What if I want to drop or add a dependent?

In order to make this choice, VEBA members **MUST** complete and submit a EUTF enrollment form (EC-1 Enrollment Form) during the upcoming limited open enrollment that will take place between November 3, 2010 and November 24, 2010. Please make sure to check all appropriate boxes for your benefit options as well as the dependent information. These changes will be effective February 1, 2011.

Will my cost for the EUTF health plans be the same as the VEBA plans?

No. The EUTF plans have different premiums. The EUTF plan premiums are listed on Attachment #1 of this memo. **The premium rates are effective through December 31, 2010 – premiums starting January 1, 2011 have not yet been determined. The rates listed are employee and employer contributions.** For active employees, the amount paid by your employer is determined through the collective bargaining process.

How can I get more information on the various EUTF plans' benefits?

Visit the EUTF website at: www.eutf.hawaii.gov. Click on "Links to Carrier Websites".

What if I want to change plans? Will EUTF have an open enrollment?

Yes. The limited open enrollment period runs from November 3, 2010 to November 24, 2010. To change plans you **MUST** complete an EC-1 Enrollment Form – the form can be found on EUTF's website under "EUTF Forms". Your completed EC-1 Form must be sent to and received by the DOE-Employee Benefits Unit, P.O. Box 2360, Honolulu, HI 96804 **no later than November 24, 2010.** For teachers processed under the charter schools system, turn your forms into the Charter School Administrative Office on Bishop Street. Any requested changes will be effective February 1, 2011. That means you will be in the plan that EUTF converted you to for the month of January 2011 and your **change will be effective February 1, 2011.**

If I do not complete an EC-1 Enrollment Form during the limited open enrollment, will my health benefits terminate on January 31, 2011?

No. Please see the table starting on Page 1. You will not be terminated, but will be converted to a EUTF plan as shown in the table. Your health benefit plans that EUTF converted you to will continue.

Will EUTF be conducting any limited open enrollment sessions that we can attend?

No. All information will be transmitted to the VEBA members via written materials and posted on EUTF's website.

Will I receive new membership cards? If so, when?

Your benefit coverage with EUTF starts on January 1, 2011, regardless of whether or not you receive your membership cards from the insurance carriers. If you need to visit the doctor, dentist, eye doctor, etc. on January 1, 2011 or after, and have not received your membership card, please send EUTF an email so that we can follow up with the insurance carrier PRIOR to your visit. **You are COVERED with EUTF effective January 1, 2011.**

The following insurance carriers issue membership cards: HMSA, HMA, Kaiser, and HDS. If you do not receive a membership card by mid-January, notify EUTF by email at eutf@hawaii.gov so that we can follow up and get back to you. Please note that the membership card(s) you receive in January will be for the benefit plan(s) EUTF converts you to pursuant to the table beginning on page 1.

If you complete an EC-1 during the limited open enrollment period, your change is effective February 1, 2011. You should receive your new membership card(s) by mid-February. If you do not receive a membership card by February 15, 2011, send EUTF an email at eutf@hawaii.gov so that we can follow up and get back to you. However, your change starts on February 1, 2011, regardless of whether or not you receive your cards. If you need to visit the doctor, dentist, eye doctor, etc. on February 1, 2011 or after, and have not received your membership card, you ARE covered – send EUTF an email so that we can follow up with the insurance carrier.

What happens if I forget to check any box next to the various choices?

EUTF will assume you do not want (waive) that coverage.

VEBA plans only allow us to choose between “Self” and “Family”, they do not have “2-party”. What will happen if I have only two persons covered under my plan?

EUTF will automatically enroll you into the “2-party” tier on January 1, 2011. If you change plans during the limited open enrollment period, be sure to check the “2-Party” box if you want to cover only yourself and one dependent. Changes made during the limited open enrollment are effective February 1, 2011.

On EUTF’s EC-1 Form under Section 2 – Coverage and Deduction Start Selection – what box do I check?

For VEBA members transitioning to the EUTF plans, Section 2 does not apply and you should not check any box in Section 2. The initial conversion of VEBA members to EUTF plans will be effective as of January 1, 2011, coverage by the EUTF will start on January 1, 2011, and premium contributions will start on January 1, 2011. Payroll deductions for EUTF plans should start on your January 20, 2011 pay check.

The EUTF has a different life insurance company. Will my beneficiary information be automatically transferred to EUTF's life insurance company – Standard Life?

No. Standard Life Insurance will be sending you information, including a beneficiary designation form that you must complete and return to Standard Life.

If I am in the VEBA Premium Conversion Plan (PCP), will I automatically be in the EUTF PCP?

Yes.

If I have questions, who can I contact?

We suggest you visit the EUTF website at www.eutf.hawaii.gov first to see if the information you need is available there. Click on the following links that may be pertinent:

- For HSTA Members
- EUTF Forms
- Links to Carrier Web Sites
- Administrative Rules
- Chapter 87A HRS

If you still have questions, we prefer you email us your questions at: eutf@hawaii.gov. EUTF can answer questions about eligibility, status of your enrollment, required supporting documents, and timing of submission of forms. However, if you have questions related to the **benefits** in any plan, we recommend you contact the applicable insurance carrier. Their contact information is:

- ChiroPlan: Honolulu (808) 621-4774, Neighbor Islands (800) 414-8845
- HDS: (808) 529-9310, Toll-free (800) 232-2533 x 310
- HMA: (808) 954-8796, Toll-free (866) 826-5335
- HMSA: Oahu 948-6499 Toll-free (800) 776-4672
- Kaiser: (808) 432-5955, Toll-free (800) 966-5955
- informedRx: Toll-free (866) 533-6977
- Royal State: (808) 539-1600, Toll-free (800) 890-9022
- VSP: Honolulu (808) 532-1600, Toll-free (800) 522-5162
- Standard Life: Toll-free (888) 408-2298

Attachment #1
Hawaii Employer-Union Health Benefits Trust Fund
State Active Employees
All BU's Except BU 12
Effective January 1, 2010 (Kaiser Plans)
Effective February 1, 2010 (All Other Plans)

Benefit Plan	Type of Enrollment	Total Monthly Premium* (Employee + Employer Contributions)
MEDICAL PLANS		
EUTF PPO (HMA) – 90/10 Plan RSN Chiropractic	Self	\$283.36
	Two-Party	\$687.70
	Family	\$877.04
EUTF PPO (HMSA) – 80/20 Plan RSN Chiropractic	Self	\$274.16
	Two-Party	\$665.34
	Family	\$848.52
EUTF Prescription Drug (informedRx)	Self	\$63.86
	Two-Party	\$155.06
	Family	\$197.96
EUTF HMO (HMSA) Prescription Drug RSN Chiropractic	Self	\$384.32
	Two-Party	\$932.84
	Family	\$1,189.90
Kaiser Comprehensive Prescription Drug RSN Chiropractic	Self	\$311.94
	Two-Party	\$756.44
	Family	\$965.44
Kaiser Basic Prescription Drug RSN Chiropractic	Self	\$276.26
	Two-Party	\$669.80
	Family	\$854.92
EUTF Supplemental (HMSA) informedRx Prescription Drug RSN Chiropractic	Self	\$203.00
	Two-Party	\$492.80
	Family	\$628.56
Royal State Supplemental Prescription Drug RSN Chiropractic	Self	\$56.62
	Two-Party	\$139.74
	Family	\$157.40
EUTF High Deductible Health Plan (HMSA) Prescription Drug	Self	\$260.32
	Two-Party	\$632.56
	Family	\$807.42
DENTAL PLAN		
HDS Dental	Self	\$30.78
	Two-Party	\$61.58
	Family	\$101.34
VISION PLAN		
VSP Vision	Self	\$6.04
	Two-Party	\$11.18
	Family	\$14.62
LIFE INSURANCE		
Standard Life Insurance	Employee	\$4.16

*Premiums are effective through December 31, 2010. **Premiums starting January 1, 2011 have not yet been determined.** Because employer contributions towards premiums are collectively bargained we do not have the current employer contribution rates. Check with your union on current employer contribution rates.